

***2010 Green Tier Annual Report  
Veolia ES-Technical Solutions  
Menomonee Falls, Wisconsin Facility***

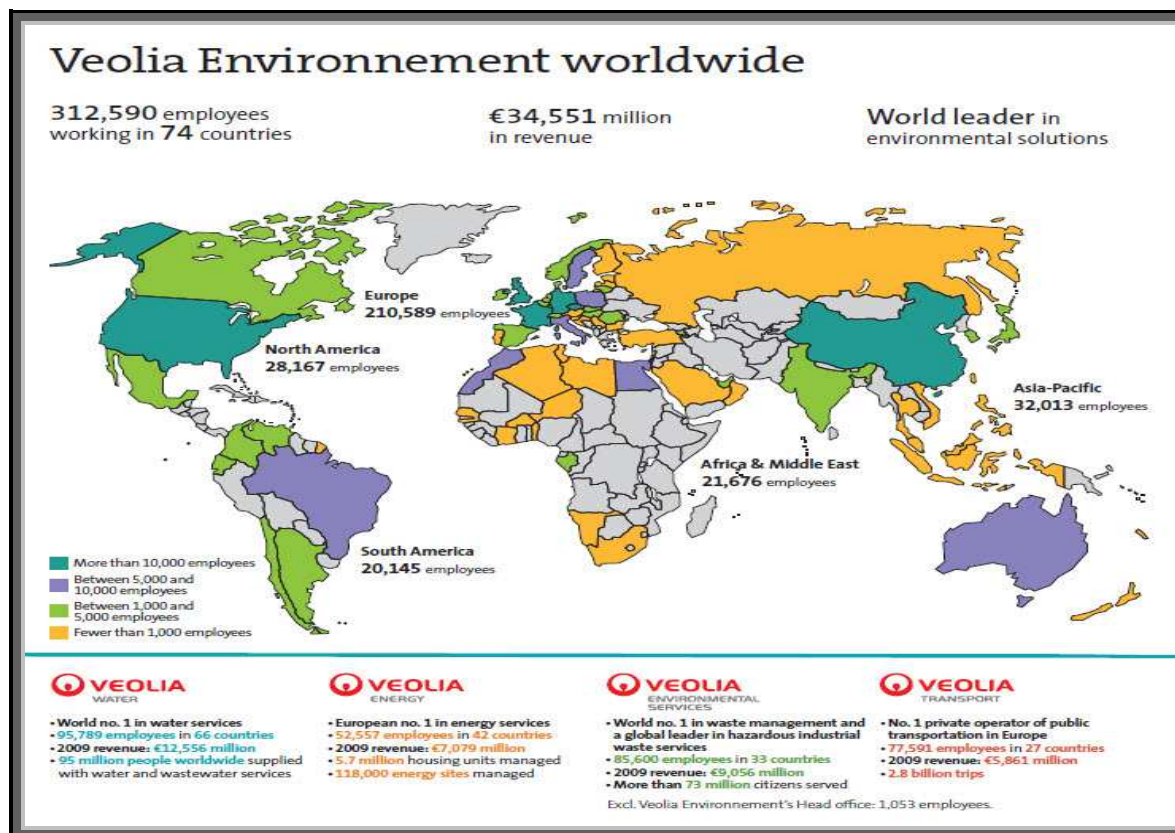


*2010 Green Tier Annual Report*

## Executive Summary and Business Overview

Veolia ES-Technical Solutions is pleased to provide our second Annual Report since becoming a Green Tier participant at the Tier 1 level on July 15, 2008. This report covers the activities and accomplishments of the Menomonee Falls, Wisconsin facility. We have also highlighted some of the environmental initiatives our company has underway both across North America and worldwide.

Veolia ES-Technical Solutions is the hazardous waste subsidiary of Veolia Environnement, which offers public and private sector clients a broad array of services under a single brand, designed to protect the environment and conserve natural resources. Water cycle management, waste recovery and recycling, energy management, transportation of people and goods - all over the world, in 72 countries and every continent, Veolia Environnement supplies comprehensive solutions that reconcile economy with ecology in pursuit of sustainable development. Our performance-based contractual approach, long experience in the public-private partnership model, the shared expertise of our 313,643 employees and the quality of our research have made us a benchmark in our businesses. In 2009, Veolia Environnement invested in 508,697 training programs covering 5,687,612 hours of instruction, an average of 1.6 training sessions per employee. In addition, Greenhouse Gas (GHG) emissions from our worldwide operations decreased by 23.4 million metric tons of eq. CO<sub>2</sub>. To further educate the public on our worldwide efforts in relation to sustainability and our commitment to instituting EMS programs, we have set up a website. The information in our report covers 2009, with 2010 data to be entered later in 2010. Please visit: [www.sustainable-development.veolia.com/en/Articles/?dc=2666](http://www.sustainable-development.veolia.com/en/Articles/?dc=2666)

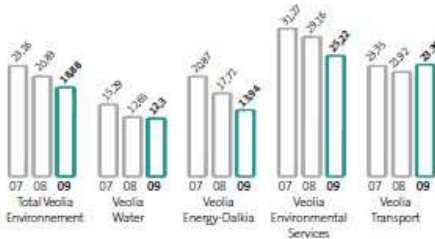


## Safety

### FREQUENCY RATE

#### OF WORKPLACE ACCIDENTS

(number of accidents per million hours worked)<sup>(1)</sup>



There was a **9%** fall in the workplace accident frequency rate between 2008 and 2009.

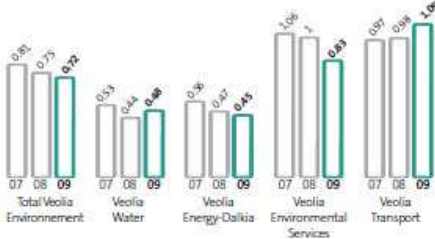
(1) The method used to calculate accident frequency has been refined in response to the growing geographic diversity of Veolia's subsidiaries. Consequently, accident frequency is now based on the annual number of days worked per employee in each subsidiary, while the number of hours absence and the number of hours overtime worked.

2008 and 2009 rates have been restated using this method.

### SEVERITY RATE

#### OF WORKPLACE ACCIDENTS

(number of days lost due to workplace accidents per thousand hours worked)<sup>(2)</sup>



The severity rate was down by **4%**.

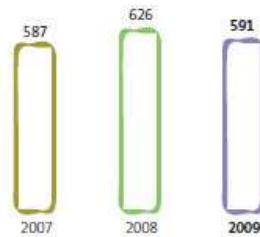
(2) The severity rate has been adjusted in accordance with the changes described above, for the sake of consistency with the modified calculation of accident frequency. Moreover, for purposes of comparison with other companies, the number of working days lost through accidents in the workplace is now calculated in terms of calendar days instead of working days.

2008 and 2009 rates have been restated using this method.

## Training

### EXPENDITURE

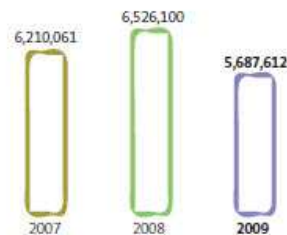
#### PER EMPLOYEE ASSUMING NO CHANGE IN THE SIZE OF THE WORKFORCE (in euros)



Total number of hours training: **5.6 million**.  
Number of hours training dedicated to safety: **1.6 million** or 28% of total.  
Total expenditure on training: **€175 million**.  
Share of payroll: **2.2%**.

### NUMBER OF HOURS

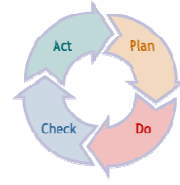
#### TRAINING PROVIDED



**508,697** training sessions were provided in 2009, implying a rise in the average number of training sessions per employee (**1.6**), for an average duration of **11.2** hours.

Veolia Environmental Services North America (VESNA) encompasses Veolia ES-Solid Waste, Veolia ES-Industrial Services and Veolia ES-Technical Solutions. For information on each of these subsidiaries, please go to [www.veoliaes.com](http://www.veoliaes.com). In looking at our most recent data from 2009 for operations under the VESNA umbrella, you will find we have focused the aforementioned global perspective here in North America and have worked hard to provide sustainable solutions in our normal course of business.

As a subsidiary of VESNA, Veolia ES-Technical Solutions provides a complete range of services for industrial and municipal customers needing to dispose of hazardous waste. With more than 45 sales, services, treatment and disposal facilities, we have locations convenient to most industrial facilities throughout the U.S. Our mission statement is 'We deliver preferred solutions that protect people and improve the environment'. Our goal is that by doing this everyday we will achieve our vision, 'To be the company trusted by all to protect and improve the environment'.



## **Environmental Management System and Progress Report**

After having an outside auditor review and approve our EMS program for compliance with the ISO14001 standard in 2009, our program was fully functioning during 2010. Our internal Green Tier Team met during the year to review the Aspects and Impacts of this facility, updated and refined SOP's to insure we are changing as our activities change, communicated with interested parties and vendors and fully embraced the continuous improvement concepts associated with ISO14001 and the Green Tier Program.

In February, May and October 2010 we also conducted three Management Business Reviews (MBR's) that covered not only our Green Tier/ISO14001 programs but also an overall review of customer, employee, IT and shareholder status. These reviews were attended by the VES-TS Senior Staff, as well as regional and local managers. In June of 2010, we sat down and discussed the Green Tier program and our EMS with representatives from UW-Oshkosh who were tasked by the WDNR with getting feedback on the program. We reviewed our systems with them and how they worked. In December 2010, our WDNR inspector was changed from Dolores Hayden to Walt Ebersol. During Walt's inspection we provided a brief overview of our Green Tier Program and our EMS. Our WDNR single point of contact currently is in transition. Internal VES-TS audits were also performed by a team of VES-TS employees from different parts of the country in May (Laboratory Audit) and November (Facility) 2010. Lastly, we had twelve customer audits of our site in 2010.

The results of the external audits and the management reviews indicate that our EMS system continues to be suitable, adequate and effective.

As reported last year, the structure of our EMS serves as a template that can be used by any Veolia ES-Technical Solutions operation in North America wishing to become ISO14001 certified. This corporate template approach provides consistency throughout Veolia ES-Technical Solutions and ensures seamless communication from top to bottom. During 2010 our Livonia, Michigan office used our template to become ISO14001 self certified. The Veolia ES-Technical Solutions Menomonee Falls Facility continues to operate under the pillars of our Environmental Policy. The main points of the Policy continue to be:

### ***Environmental Protection and Enhancement***

#### ***Waste Reduction, Recycling, Treatment and Disposal***

#### ***Biodiversity***

#### ***Sustainable Use of Natural Resources***

#### ***Wise Use of Energy***

#### ***Compliance***

#### ***Risk Reduction***

#### ***Public Policy and Public Education***

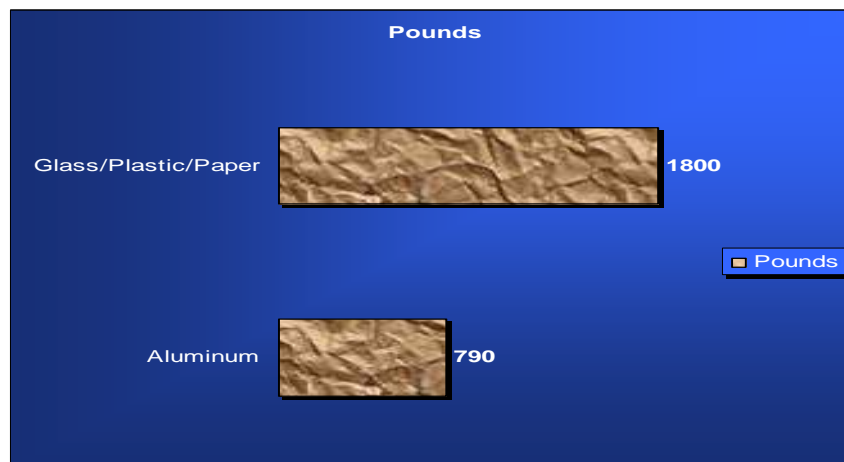
#### ***Participation in Environmental Organizations***

## Environmental Performance

Outlined below are the details on how the Veolia ES-Technical Solutions Menomonee Falls Facility performed in 2010 against our stated goals:

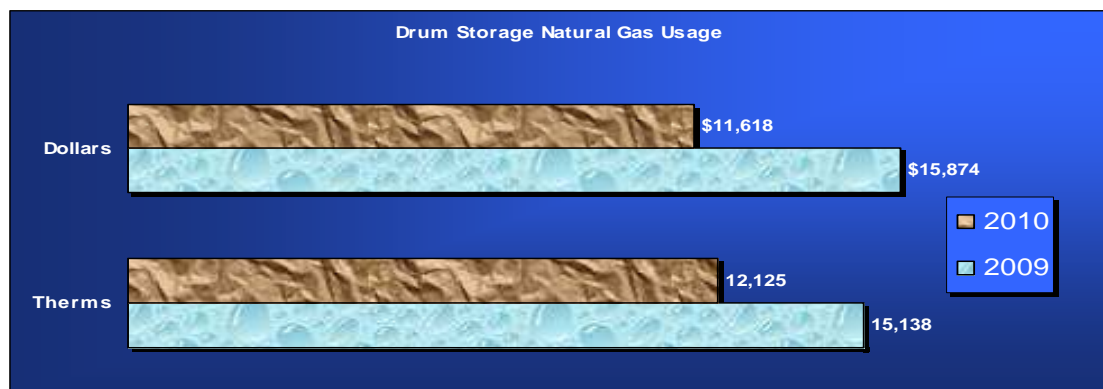
**Goal 1)** *Complete a facility wide review of recycling activities and set up a recycling program for paper, aluminum and plastic material discarded by staff*

- A modified single stream recycling program was put into place in April of 2010 where the aluminum cans were separated and recycled independently from the plastic, glass, cardboard and paper. In 2010 we recycled 790 pounds of aluminum and 1,800 pounds of glass, plastic and paper products.



**Goal 2)** *Measure the savings in natural gas due to the insulation upgrade in the drum storage building*

- The insulation upgrade in our drum storage building was complete in January 2010 and showed immediate improvement in natural gas usage. Along with the insulation upgrade we installed new insulated overhead doors. The natural gas usage in the drum building was 15,138 therms in 2009 and 11,618 therms in 2010 for a 20% decrease in natural gas usage. Combined with lower natural gas costs at some points during the year, our costs for heating the drum building went from \$15,874 in 2009 to \$11,618 in 2010 for a 27% savings in dollars.



**Goal 3)                    *Review our tanker containment unit for any areas of improvement and our Operating Procedures for recycling oil***

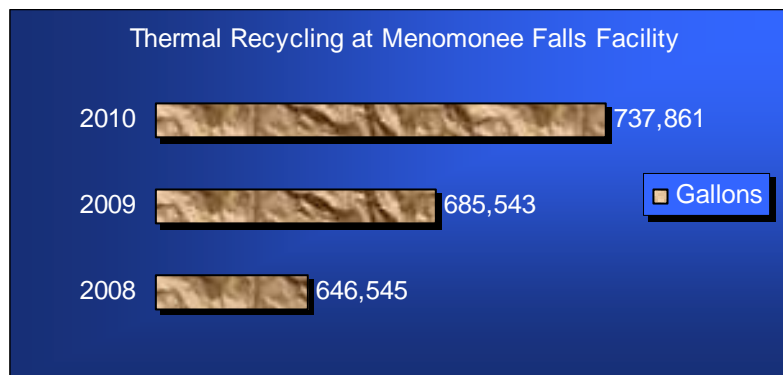
- In reviewing our Aspect and Impacts we decided to focus some attention on our tanker bulking containment unit and the processes that occur in that area. As a result we decided that our containment unit captured more than enough volume to contain a 5,000 gallon tanker truck leak and we filled in a sub-surface blind sump. This sump was not needed to contain the volume of waste that could potentially be spilled and therefore there was no need to have a sub-surface unit. Along with this review, we decided to write a separate SOP just for the bulking of used oil for recycling. Previously, this activity was covered under a single SOP for bulking of all liquid organic waste via a vacuum tanker. The Green Tier Committee decided it was worth having a more specific SOP just for this activity so we could adjust the processes independently of each other, thus protecting the environment in numerous different scenarios. The review and actions our Green Tier Committee went through is an illustration of how we have really embraced the concept of continuous improvement and Environmental Management Systems.

**Goal 4)                    *Commit to increased accuracy in tracking our recycling activities***

- 2010 was a year in which we captured more recycling data than in any past years. We created a “Consolidated Recycling” file on a shared drive of our computer systems. This file is a consolidation point for numerous recycling activities we conduct on site. Because it is accessible to everyone, everyone can input data. For example, our receptionist can receive a recycling check from a vendor and input the dollar amount and the type and quantity of recycled material. Because our recycling activities fall under numerous different departments within our facility, the need was there to have a shared consolidation point. The details and data within this report show we have been successful with this goal.

**Goal 5)                    *Continue our diversion of waste from incineration to thermal recycling***

- As discussed in our Annual Report for 2009, we attempt to divert waste that is bound for incineration to thermal recycling. The chart below outlines the success of this activity in 2010. We thermally recycled 52,318 more gallons of waste in 2010 as compared to 2009, or a 7% increase. The 52,318 gallon increase of thermally recycled waste in 2010 is attributed to an increase in incoming volumes and waste diversion activities. Nearly 55%, or 23,478 gallons, of the annual increase is due to our diversion activities.



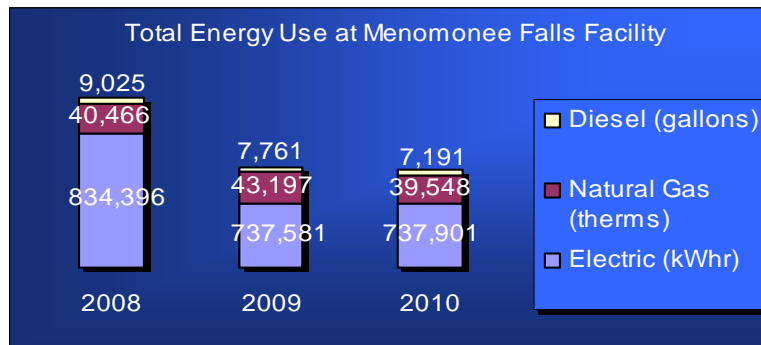


**Goal 6)** *Continue our current recycling programs and strive for improvement in the measurables.*

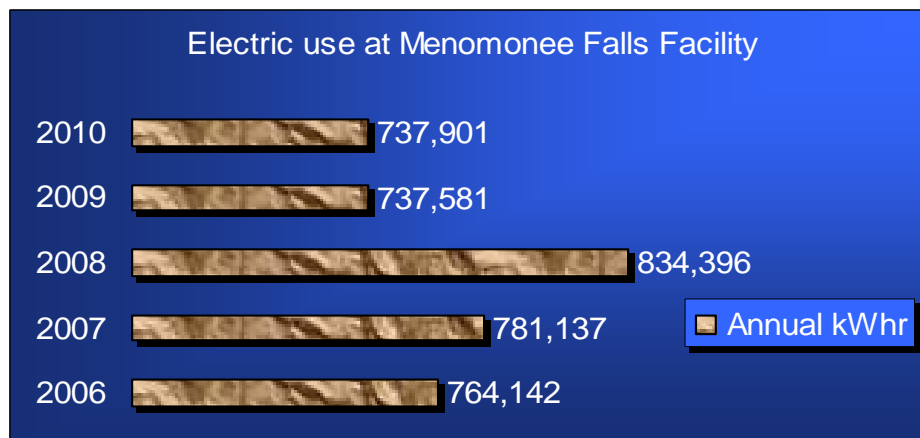
- This report shows we have had operational success with our recycling activities and an improvement of our tracking of these activities. The ability to benchmark our success has also given us the ability to set goals for improvement. This will continue to be an area we emphasize as we strive for continuous improvement.

**Energy and Climate Change**

Energy usage at this facility is limited to natural gas, electricity, diesel fuel for on site equipment and small amounts of gasoline for one on site pickup truck and a lawn mower. We addressed the building specific natural usage above in goal #2, the graph below outlines our total energy usage and any annual change:



After our re-lamping project in early 2009, we saw our electric usage level off in 2010. The graph below outlines our gross electric usage compared to previous years.



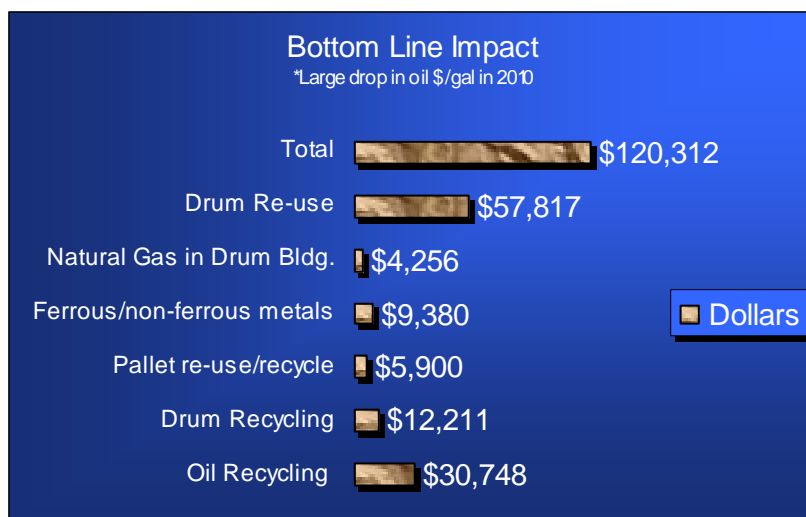
Reviewing our impact to the environment on a national and global basis can be done using a number of on-line tools created by our organization. Our main website is [www.veolia.com](http://www.veolia.com) and it discusses our overall company and provides information on our environmental policies and philosophies. We have also dedicated a website specifically focused on our sustainability effort world wide, [www.sustainable-development.veolia.com](http://www.sustainable-development.veolia.com). Lastly, on September 21, 2009 we launched the web portal [www.EnvironmentalPassion.com](http://www.EnvironmentalPassion.com), which expresses our commitment to implementing sustainable practices to preserve the environment for future generations. It also includes opportunities for the viewer to test their recycling knowledge with a quiz and to determine their carbon footprint.

## Transportation

The Menomonee Falls Facility does not have an on site fleet of transportation vehicles. When we look at this aspect of our potential impacts to the environment, we focus on our consolidation efforts. As a standard procedure, we try to fill every bulk container and semi-truck leaving the facility as full as we can within our safety parameters. At the beginning of 2010 we challenged our operations staff to increase the payloads on our bulk tankers leaving the facility. As a result, we saw a 2.5% increase in payloads for our bulk liquids leaving the facility. This increase effectively eliminated 3.4 loads and the associated energy use. We also implemented a new “Scheduler” computer scheduling system that allows us to maximize loads all across the country, look for backhauls and focus on logistics to conserve diesel fuel and create fewer empty running miles. Last, Veolia ES-Technical Solutions continues to have a Transportation Flexible Spending Account (FSA) available to all employees that will allow them to use their tax-free money to pay for eligible mass transit and/or parking expenses incurred as part of their commute to work. The concept of this program is that we encourage our employees to use mass transit and we actually show a savings to them by using their pre-tax dollars.

## Economic Performance

In looking at how our Green Tier/ISO14001 Program has affected our economic performance, we would like to focus on how our activities affected our bottom line. In 2010 we measured the economic impact of recycling and re-use of metal and plastic drums, natural gas savings, oil recycling, ferrous and non-ferrous metal recycling, pallet re-use and recycling and electric energy savings.



This data clearly shows that putting our Green Tier/ISO14001 program in place not only pays for itself but adds value to our business. It is definitely an Advantage: Business Advantage: Environment.

## Stakeholder Involvement

As part of our EMS we track any inquiries from the public. In 2010 we gave numerous tours and audits to our customers, regulatory agencies and the public. Some highlights were hosting staff from the University of Wisconsin-Oshkosh for a facility and Green Tier overview, the Kettle Moraine Lutheran High School and Menomonee Falls High School Advanced Placement Senior Science class tours. Attachment “A” is a listing of our external communications.

The VES-TS Menomonee Falls Facility is also active in the Waukesha County Adopt-A-Highway program. We have adopted Highway Y between CR-VV and CR-W, and we conducted cleanup activities in the spring, summer and fall of 2010. In addition to sponsoring local community activities,



we are particularly proud of our involvement with Junior Achievement of Wisconsin. During 2010 we had 10 employees present the Junior Achievement curriculum to Riverside Elementary students covering students in kindergarten through fourth grade. Riverside Elementary is part of the Menomonee Falls School District. We also are team sponsors for the Menomonee Falls Little League and Junior Indian wrestling programs. Our involvement in supporting education is also apparent at the college level with employees sitting on advisory committees at the University of Wisconsin-Milwaukee (NIH endorsed Institutional Biosafety) and Milwaukee Area Technical College (Environmental Health and Water Quality). Other company wide philanthropic activities can be found on the Veolia Foundation website at [www.foundation.veolia.com](http://www.foundation.veolia.com).

## **Goals for 2011**

The major goals for Veolia ES Technical Solutions Menomonee Falls Facility for 2010 are as follows:

**Improve dust capture efficiency from the Non-Hazardous reagent silo during reagent delivery.**

**Improve air handling process in Depack building to better capture odors.**

**Improve dust control in the Non-Hazardous waste processing area.**

**Expand vermiculite recycling activities.**

**Continue our current recycling programs and strive for improvement in the measurables.**

## **Conclusion**

Veolia Environmental Services is committed to sustainability at every level of our organization. The WDNR Green Tier program has continued to prove to be an advantage to our business and improve the environment. We believe we are positioned to make this program sustainable within our operation for years to come. The tenets of the Green Tier Program and ISO14001 also align with our focus on working safely every day. The safety of our employees and the environment is our number one goal each day and we look forward to the continued improvement of our operations through programs like Green Tier.



## *Attachment “A”*

**Form #2**  
**External Communications**

<b>Party Requesting Information</b>	<b>Date of Request</b>	<b>Date of Response</b>	<b>Information requested</b>	<b>Name of VES Employee responding</b>
CHWMEG audit, Kristin Knoll	1-15-10	1-15-10	Audit for CHWMEG on 2-17-10	Tom Daly, Joe Baumann
Red Star Yeast (Lesaffre Yeast Corp.) audit, Bob Biwersi	3-3-10	3-3-10	Customer Audit on 3-10-10	Joe Baumann
Menomonee Falls High School AP science class tour	3-24-10	3-24-10	Tour on 4-1-10	Tom Daly, Joe Baumann
KM Lutheran High School AP science class tour	4-1-10	4-1-10	Tour on 4-14-10	Joe Baumann
Covance Labs audit	5-6-10	5-6-10	Customer Audit on 5-20-10	Joe Baumann, Tom Daly
Internal Lab Audit	5-6-10	5-6-10	Internal VES Audit 5-9-10 to 5-10-10	Bill Banks
UW Oshkosh-Green Tier Survey Meeting	6-16-10	6-16-10	UW Oshkosh review of Green Tier Legislation on 7-1-10	Tom Daly, Joe Baumann
Ameren UE Audit	7-1-10	7-1-10	Customer Audit on 7-13-10	Joe Baumann, Tom Daly
Associated Spring Audit	7-12-10	7-12-10	Customer Audit on 7-28-10	Joe Baumann, Tom Daly
Kimberly Clark Audit	9-1-10	9-1-10	Customer Audit on 9-8-10	Joe Baumann, Tom Daly
SG Solutions Audit	8-24-10	8-24-10	Customer Audit on 9-10-10	Joe Baumann, Tom Daly
Matrix insurance Audit	10-1-10	10-1-10	Insurance Audit on 10-20-11	Joe Baumann, Tom Daly
Cambrex Audit	10-4-10	10-4-10	Customer Audit on 10-26-10	Joe Baumann, Tom Daly

VES Internal Audit	9-1-10	9-1-10	Internal Audit on 11-16-10 to 11-18-10	Tom Daly, Joe Baumann
Ashland Audit	12-1-10	12-1-10	Customer Audit on 12-8-10	Joe Baumann, Tom Daly
WDNR Inspection	12-3-10	12-3-10	Inspection 12-3-10 and 12-9-10	Joe Baumann, Tom Daly
WDNR Inspection	6-11-10	6-11-10	Inspection on 6-11-10	Joe Baumann, Tom Daly